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# West Europe Report

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## WEST EUROPE REPORT

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## TERRORIST ACTS AMONG RIVAL TURKISH EXTREMIST GROUPS

Bonn DIE WELT in German 3 Jun 81 p 3

[Article by Manfred Schell: "Turkish Extremists Avow Violence--Escalation of Terrorism Forces Scrutiny of the Right to Organize"]

[Text] The diligence and civic responsibility of Turkish families residing in the FRG are being overshadowed by extremists of both camps. According to Islamic revivalists, paradise lies in the shadow of the sword. The controversies are a reflection of present-day power politics raging at the frontier between Europe and Asia: who is directing the Turkish terrorist underground? The extremist scene confronts German authorities with an almost insoluble problem.

A look at the extremist Turkish situation in the FRG must be preceded by the statement that the great majority of the 1.46 million Turks living here, 500,000 of whom are gainfully employed, are law-abiding individuals. This in no way changes the fact that Turks belonging to extremist groups of the left and right, estimated by the authorities to number 55,000, constitute the greatest threat to security in comparison with other groups of foreigners.

The membership of the "Federation of Democratic Turkish Idealist Clubs in Europe" (ADTUETDF) numbers 26,000. It is the umbrella organization for about 370 rightwing extremist local organizations. While it denies being influenced or even supported by the extremist "Party of the National Movement" (MHP), law enforcement agencies are convinced that close ties are in existence.

Turkish rightwing extremism has been characterized by strong Islamic revivalism since the revolution in Iran. The National Security Agency is in possession of a pamphlet containing the following sentences: "We will make the light of the Koran shine everywhere, even if this involves punishable offenses. We will lay our heads, our lives on the line for Islam. Paradise lies in the shadow of the sword."

Security agencies have little insight into the Koran schools existing in the Turkish communities of Berlin, Stuttgart, Ulm, Bielefeld and in the Ruhr area.

Officially, they are under the direction of the Islamic Cultural Center headquartered in Cologne. There is no evidence that political indoctrination takes place in them. There are reports of corporal punishment; but no legally admissible evidence has been found. A judicial inquiry was initiated against the chief imam: he had given a violent speech denouncing minorities, especially Jews.

The leftwing radicals, more adroit in propaganda matters than the rightwingers, claim that these Koran schools produce "gray wolves." This term is based on Turkish mythology and has become an epithet directed against rightwing extremists even though there is no organization in existence, neither in Turkey nor in the FRG, which is known by that designation.

National Security statistics indicate that leftwing extremists commit six times as many politically motivated crimes as the rightwingers. During 1980, a total of 80 violent crimes occurred, an increase of 50 over the preceding year.

Three former rightwing extremist leaders were murdered during 1980 and in February 1981. In Reitlingen, an interpreter named Tireli died as the result of 12 knife wounds on 3 May 1980. During the early 1970's he had been the head of a National Movement Party branch office in Kempten. On 25 November 1980 a Turkish national named Uygor, who managed a grocery store in Kempten, was shot and so severely wounded that he died of his injuries several days later. In 1978, Uygor had been a member of the national board of the rightwing extremist ADUETDF. His killer was not apprehended. An additional murder occurred on 24 February 1981 in Heddesheim. A taxi driver named Ismailoglu, who had been a leader in the rightwing extremist MHP in 1973, was shot. His killer has not been identified to date.

The leftwing extremist camp is divided. The "Federation of Turkish Workers' Clubs" (FIDEF) which represents the orthodox communist element, has more than 18,000 members. Their agitation is subliminally directed against the "gray wolves," but principally against Ankara's military government. There are obvious links with the German Communist Party. An SPD deputy, Klaus Thuesing, granted an interview to a FIDEF publication.

The members of the New Left are openly espousing violence. "Our party calls upon all revolutionaries to flush the following named fascists out of the holes in which they dwell," announced their main publication. "We call upon all revolutionaries who know or see these enemies of the people or who know where they are. Kill these enemies of the people on sight." The new leftwingers number 8,000-9,000, according to law enforcement authorities.

Murder is not the only item in the spectrum of violence. There have been cases where the mere refusal to accept a proffered flyer led to knifings. In view of the continuing escalation the ministries concerned are reexamining the law governing organizations as to its efficacy for countering this development.

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**EVIDENCE OF SOVIET SUPPORT FOR TERRORISM**

Rome L'UMANITA in Italian 23 May 81 p 3

[Article by Francois Corre which recently appeared in FRANCE SOIR: "Who Is Financing the Red Brigades?"]

[Text] "Our enemies are not just the Red Brigades," I was told by one of the Italians responsible for the struggle against terrorism who desires to maintain his anonymity. "Our true adversary is the Union of Terrorist Soviet Republics."

When asked what he was talking about, he replied, smiling: "Czechoslovakia, Cuba, South Yemen, the PLO, Bulgaria, the GDR and Libya," and added, "Do you know that when the president of the Italian Republic, Sandro Pertini, went to Algeria on a visit last year, President Chadli, in person, informed him that some of his Bedouins who were crossing the southern part of his country in a caravan saw the training camps for terrorists in the Libyan desert? And there were Europeans and even Italians in those camps."

From 1970 to 1974, Gen Vito Miceli was the head of the SID [Defense Intelligence Service], and everybody in Italy and in Europe, even including his political enemies, recognized his great ability.

He says, "As early as 1974, we were in possession of important documents regarding the terrorists' foreign connections. I imagine that our agents have not been wasting their time during the intervening 7 years and that it is only logical that further proofs have been collected.

"I can assert that it is entirely obvious that the Italian terrorists have connections abroad. And when I say 'abroad' I am referring to the areas which are subject to Soviet influence. The secret services of friendly countries (the American, French and German services) have also provided us with information in that regard. Thus I can state that Italian terrorism is directed by Moscow through the KGB [Committee for State Security] and the GRU [Soviet Intelligence Service]. All the Warsaw Pact countries collaborate in that activity, and so do the countries which operate under Soviet influence, from Cuba to South Yemen.

"We are also in possession of a note signed by Brezhnev and sent to all the governments of Soviet bloc countries in 1972, just before President Nixon's visit, in which the importance of the KGB's role was emphasized in a phase of detente which

consisted of destabilizing the Western bloc continuously, and particularly at NATO's weak points. The note does not mention Italy, but it is implied." Actually, that note is the only known, concrete piece of information which directly connects the KGB with the European terrorist movements. In fact, Moscow acts in an extremely circumspect and discreet manner in regard to this affair, never taking the initiative in the first person. In fact, the KGB agents located in embassies in the West never maintain direct contact with the local terrorist movements, who evidently are considered too dangerous for them to associate with. That is why the KGB tends to give the impression that it only concerns itself with traditional espionage in foreign countries, whereas the secret services under Soviet or Palestinian influence actually do work for the KGB.

In 1973, for the first time in Italy, there was concrete proof of the assistance Moscow gives to the terrorists. It was in that year, in fact, that two Italian terrorists, Daniele Pifano (head of the Roman Autonomists) and Giorgio Bungardeer (a terrorist doctor from Alto Aidge who stayed in a Palestinian training camp in Lebanon for a long time), were arrested in Ostia and found to be in possession of two Strela surface-to-air missiles of Soviet manufacture.

And it was just in 1973 that the Strelas, which are ultramodern, ultrasecret and ultrasophisticated weapons, were turned over by Moscow to its most trusted friends, while reserving the right to exercise very strict control over the use which would be made of them.

From the ensuing investigation and the statements of Pifano, it was learned that the two missiles came from Syria, which is the principal Soviet bridgehead in the Middle East.

On the other hand, Syria was, at that time, and still is today, one of the countries which provide large amounts of assistance to international terrorism. The Italian secret services came into possession of a list of the "lodgers" in the training camp at Hamourya, in Syria, where "4 Germans, 6 Italians, 4 Japanese, 3 Spaniards, 12 Brazilians, 32 Filipinos, 28 Argentinians, 150 Iranians, 130 Turks and 190 Africans" were counted in 1979.

It was in 1975 that the most flagrant proofs of Soviet aid to the terrorissts came to light.

In fact, it was in 1975 that the famous exchange of shots between Carlos and the inspectors of the DST [Directorate of Territorial Surveillance] took place in Paris. The ensuing investigation showed that a central service to run international terrorism exists within the sphere of influence of the PLO.

During that same period, the Israelis, who had occupied a portion of the Lebanese coast in the vicinity of Beirut momentarily, intercepted Soviet and Palestinian messages which showed that Carlos was in the pay of a KGB agent, Antonio Dages Bouvier.

And it was in 1975, again, that the Belgian police came into possession of Soviet documents which proved the existence in Vienna of a central headquarters which was responsible for coordinating terrorist activities in Italy, the FRG, the Netherlands and Belgium.

The Czechoslovaks are accused by Italy, in most cases, of having links with the Red Brigades.

When Jan Sejna, the old military adviser of the Central Committee of the Czechoslovak Communist Party, defected to the West in 1968, he brought hundreds of kilograms of secret documents with him, and most of the contents of them were explosive.

There is even a list there of Italian terrorists who passed through the Czechoslovak training camps. With some errors in orthography, and sometimes a missing proper name, the list indicates the following names: Fabrizio Peli, Franceschini, Francesco Troiano, Budio Bianchi, Ferucino Gambino, Roberto Spazzali and Cesare Capellino.

The first man on the list, Fabrizio Peli, is well known. He lived in Prague from 1960 to 1972 and died of leukemia in 1979. The Italian secret services suspected for years that he was an important member of the Red Brigades, having come from the Reggio Emilia breeding ground. The second name, Franceschini, very probably stands for Alberto Franceschini, who, together with Renato Curcio, founded the Red Brigades. The Italian secret services have known for some time that Franceschini was trained in Czechoslovakia, and in fact he only uses Czech weapons--the Skorpions, which are similar to the one with which Aldo Moro was killed.

All the other names on the list belong to known terrorists. Jan Sejna, the defector, said that there are various training camps in Czechoslovakia, including one at Karlovy Vary through which the future heads of Palestinian and European terrorism are alleged to have passed, and another one, not very far away, in the forest of Dourov, for which the GRU is directly responsible.

In the jargon of the Red Brigades, the Dourov camp is called "Selva Nera" [black forest], a code name which is used to distinguish it from the Finsterwald camp in the GDR, which is known by the code name "Selva oscura" [dark forest].

A number of other sources cite Czechoslovakia. According to information for which he could not give the source, the Italian minister of the interior, Virginio Rognoni, stated last year that he knew, without being able to prove it, that funds were about to be paid to the Italian Autonomists through the channel of the Milan office of a very well-known Czechoslovak company which manufactures automobiles--Skoda.

According to Virginio Rognoni, the amount paid to the terrorists may have amounted to 70 million lire.

Of course, that statement by the Italian minister was bluntly denied, but that denial caused the Italian journalists to discover that Skoda's distributor for Italy was an Italian who belonged to a family that was very close to terrorism, with at least one member of the family having a long history as a terrorist. As for the former Skoda distributor for Italy, well, he was none other than Giancarlo Feltrinelli. "I could cite dozens and dozens of facts which demonstrate Czechoslovakia's considerable complicity in our terrorism," I was told by Ruggiero Puletti, the deputy secretary of the Italian Social Democratic Party. "Our secret services worked in

an energetic manner in that area, but Skoda is not the only Czechoslovak firm operating in Italy and giving money to the Italian terrorists. Various Roman and Milanese branches of Czechoslovak firms are doing the same thing. These are the cashiers--the suppliers--for our terrorism. We also know that the agents who are said to have infiltrated our armed forces and the police were trained at Smokovec, in Czechoslovakia."

So it appears that it is through the intermediation of Czechoslovakia that the terrorists are provided with weapons and money. But it is in Cuba that the majority of the leaders, ideologists and instructors of the Italian terrorists are trained.

According to a CIA report transmitted to the European secret services (including the French SDECE [Foreign Intelligence and Counterintelligence Service]), the Cubans started instructing the Italian, French, Palestinian, Basque, etc., terrorists very early. They allegedly began doing so on their own initiative, or else, at least at the beginning, the Soviets did not take much interest in that initiative. It was only in 1968 that the KGB is said to have decided to make Cuba one of the world centers of terrorism. In June of that year, one of the best KGB officers, Col Vadim Kochergin, landed at Havana to take control of the training of future world terrorism cadres.

At the same moment, 300 or 400 Cuban officers were flying to Moscow, where they allegedly were instructed in the techniques of urban guerrilla warfare.

So Cuba is the University of Terrorism--a university where not the fighters are trained but the "professors" who then are to be found in the training camps of Lebanon, Syria, South Yemen, Libya and elsewhere. South Yemen's position in the Terrorist International is a separate one.

In fact, that strip of land represents one of the most important outposts for supplying Western terrorism with Soviet or Czechoslovak weapons.

Intense political alignments under very severe conditions develop under the leadership of Czech, Cuban and East German instructors in the camps of Simgibar, Tavai, al Shayvat and in South Yemen.

Some Basques who were militant members of the ETA [Basque Fatherland and Liberty Group] and were arrested in Spain in July 1980 actually came from South Yemen.

It is also significant that, during the period when his father was incarcerated in the hands of the Red Brigades, the son of Aldo Moro, Giovanni, requested a visa to Yemen. He actually thought that, by going there, he might be able to meet the most important men in world terrorism and that perhaps those same men would be able to intercede on behalf of the liberation of his father.

Was that an idea with no foundation in fact? It will never be known--because the visa was refused, too. In fact, the South Yemenites never grant a visa to a Westerner. From the long list of the countries which assist Italian terrorism, Libya, the GDR and Bulgaria could also be mentioned, while not forgetting Lebanon, where certain Christian Falangists receive German Neonazis and Italian Neofascists in their ranks who are suspected of having taken part in the attack on the railroad at Bologna.

Then we should not forget, as too many Italian parties tend to do, that terrorism with an Italian trademark was not born in Moscow or Havana but at the University of Tento.

Born as a university revolt which involved less than half of the students and very closely resembled the revolt of the Carbonari, Italian terrorism has been able to develop because of the fact that in that country the political class lost its credibility some time ago and the society is completely exasperated.

It was only after that revolt had gotten started that the secret services of the East, and perhaps also those of the West, began to take a keen interest in the young malcontents.

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**RESEARCH MINISTER ON ENERGY SUPPLY, NUCLEAR ENERGY****Duesseldorf ATOMWIRTSCHAFT-ATOMTECHNIK in Germany May 81 pp 320-323**

[Article by A. von Buelow: "The FRG's Energy Supply." From the speech by the minister for research and technology given at the final meeting of the JK 81 on 26 March 1981]

[Text] As in all industrial nations, the FRG's energy requirements have risen drastically in the last 20 years. In 1960 it was only 211.5 million tons of hard coal units, whereas, in contrast, we consumed somewhat more than 400 million tons of hard coal units in 1979. Not until last year did efforts at saving, including our savings programs, show their first effects: we consumed "only" about 390 million tons of hard coal units of primary energy. I would like to put this "only" in quotation marks because far-reaching changes in consumption structures are still out of the question.

**Consumption Structures**

These consumption structures have likewise changed in a manner parallel to the strongly growing consumption in the last 20 years.

Whereas in 1960 hard coal, accounting for over 60 percent, was still clearly number one in the primary energy market, and petroleum had only a 21-percent share, the picture has since changed. Today petroleum has roughly a 48-percent share in the energy supply (declining from over 50 percent) and hard coal represents about 20 percent, and this only because of the financial assistance on the part of the Federal Government which, over the years against the opposition of many advocates of the pure market economy, has seen to it through the vehicle of price reductions that domestic coal was assured an appropriate place in the country's supply.

In addition to hard coal, brown coal had a constant share in our primary energy supply and will no doubt be able to maintain this situation for the next few decades.

Following the introduction of petroleum, which at first was unusually cheap, into our market, there was a large increase in natural gas. In the last 20 years its share rose by more than the factor 30, from 0.5 percent to 17 percent. Thus, today natural gas is almost on a par with hard coal.

The other energy sources, water power with approximately 2 percent and nuclear energy with about 4 percent, today contribute only modestly to the primary energy supply.

This still somewhat onesided supply structure involves a whole series of difficult problems.

#### Dependence on Imports and Balance of Payments Deficit

Their political explosiveness becomes clear if the energy supply from domestic sources is compared with that from imports. The situation is most critical in the case of petroleum, less than 5 percent of which comes from our own sources. Moreover, in our imports we are heavily dependent on an unstable region which, under the principle of calculability so important for our security policy, reveals substantial problems. Dependence on imports is not quite as strong in the case of natural gas, which thus far has to be imported only in an amount slightly exceeding 60 percent, of course, with a tendency to rise. In our own country we have only hard coal and brown coal.

However, this high degree of dependence on imports not only makes our supply vulnerable and exposes it to adverse political effects, but it is also a large burden on our economy, as the following figures show:

In 1979, for the first time in 15 years, the performance balance sheet of the FRG showed a deficit of about DM10 billion; its cause can be primarily attributed to the increased costs of oil. Yet the full impact of these increases was not felt until 1980 and the balance of payments deficit for this year was about DM25 billion.

Prior to 1973-1974 we spent annually about DM15 billion for petroleum imports, in 1979 DM48 billion and in 1980 more than DM65 billion.

However, the balance of payments is not only adversely affected by oil imports, expenditures of foreign currency for other energy imports have also gone up tremendously. Thus, for example, the expenditures of foreign currency for natural gas showed a sixfold increase in the period between 1973 and 1980.

In view of this development, which is alarming for our economy, it is understandable that the lessening of our dependence on energy imports, especially oil, is an urgent need and thus also one of the most important goals of the Federal Government's energy program.

#### More Efficient Use of Energy

In addition to the high degree of dependence on imports and thus the adverse effect on our balance of payments, a further problem in our energy supply which we must tackle is the losses from converting primary energy into effective energy and those occurring during the transport of energy. It must be an urgent goal to improve as quickly as possible the share of usable energy, which on the average is only 33 percent.

A further reason to restrict our marked energy consumption and to change its structure is environmental protection, which above all else in the use of fossil energy sources is still the cause of great concern. In addition to personal traffic, it is primarily the high share of fossil energy sources in the production of electricity and of the space heat supply from individual furnaces which pollutes the environment to too great an extent.

I believe there is extensive agreement that we must use energy more efficiently; that, above all else, we must save oil; that we must change our consumption structures; and that we must use the energy sources which we ourselves have or which we can get in a relatively easy way in sectors where it makes the most sense.

### Saving Energy Without Loss of Quality of Life

Thus, first of all, saving energy means saving oil. Where is the greatest potential for doing this?

Some 40 percent of our energy consumption is for space heating in households and small-scale consumption. We use 36 percent for process heat, primarily in industry, and 24 percent for light and motors, most of this in transport. In this regard, transport, up to 2 percent in the case of rail traffic, is most dependent on oil; in the industrial sector oil, gas and coal are used roughly in equal parts, and in households the share of oil is about 60 percent.

In order to change this structure new technologies must be utilized so that energy is used more economically--or better--more efficiently. New heating methods, thermal insulation methods, ventilation control, new production methods in all branches of industry, better control of energy-consuming processes, more economical automobiles, new transport systems, more intelligent energy-saving products: all these can contribute to savings. At the same time there is an opportunity for our highly qualified industry to market new technologies which are in line with worldwide needs to save.

But saving should not mean a loss of conveniences and quality of life. At this point I may perhaps quote the chancellor, who stated this very graphically: We are not energy muggles and do not want to ruin anyone's electric toothpick, but saving energy must also be socially tolerable. Thus, we must reduce the large energy losses which arise between the use of primary energy on up to consumer's use of effective energy.

### District Heat

In the structure of our energy requirements, with the largest sector being in the heat supply, there is undoubtedly the greatest opportunity to substitute for oil and for better utilization of energy in the use of district heat.

District heat has a large number of advantages... All these advantages have been pointed out in a study on district heat which was done between 1974 and 1977 for the Ministry for Research under my predecessor Hans Mattheofer... District heat naturally also competes with other energy sources, especially gas and electricity.

It is easy to design a system which is reasonable in respect to energy engineering, technology and economy. The share of district heat is being increased from the current 7-12 percent to at least 24 percent in the heavily populated industrial centers where it is economically attractive today. The gas supply is concentrated in regions of average population where district heating is scarcely worthwhile, and electricity which is connected to heat pumps supplies the sparsely developed areas. In this connection it is mandatory that a graduated future-oriented system be established within the district heating supply. First we must create or supplement insular networks which are supplied with coal-heated block thermal power plants. They must be combined in compound systems in cities and municipalities and then be supplied by thermal power plants using coal. Such municipal networks using connecting bars then make it possible to feed in larger quantities of heat which come from industrial waste heat and refuse burning plants or from large coal-operated power plants. In large networks I do not think that deriving heat from nuclear power plants is at all out of the question. Overall, we must achieve the utilization of large quantities of heat which at present escape into the atmosphere and rivers in the process of generating electricity, in industrial production and in waste removal. Naturally I know that this cannot be realized over night; there are a number of obstacles and problems which the nation, Laender and municipalities as well as the utilities must jointly overcome and solve.

### Primary Energy for the Next Century

Decisions about expanding conduit-based energy supply systems like district heating have long-term effects. A long-term expansion strategy for the district heat supply must therefore take into consideration the primary energy situation which is to be anticipated for the next century, that is, in the first place it must focus on coal and nuclear energy. Oil and gas can, of course, be used as a transitional solution in establishing large networks if in the process cost savings are possible, but for the permanent supply in the case of final expansion these energy sources must not be included in the planning.

Thus, I have suggested which energy sources we should use in the future primarily to meet our continuing energy requirements: coal and nuclear energy.

### Prospects and Problems of Coal

Hard coal and brown coal are the two energy sources of which we have rather extensive supplies in our country. At present they satisfy the largest part of our electricity requirements. This will have to continue to be the case for some time yet. However, we still need to ask ourselves how, on a long-term basis, coal can be used more intelligently and more profitably.

The production of refining products from brown coal, for example gas or methanol, in the near future promises to be economical. That means that this energy source can then be used in the decentralized heat market. The gap which will result in producing the base load of electricity could then be assumed by hard coal and mainly by nuclear energy.

In the future there should be intensified use of hard coal in thermal power plants for simultaneous production of electricity and heat. In this way domestic coal

production cannot only be used in a far better manner for energy production, it can also once again play a greater role for the heat market under conditions that are relatively favorable to the environment; the heat market is our largest demand sector in which oil had very extensively replaced coal in the 1960's and 1970's. Therefore, the construction of coal thermal power plants near cities is, in my view, very much more worth promoting than the construction of normal large coal power plants. Refining products from hard coal can play a larger role only on a long-term basis. More efficient technologies must still be developed for the gasification of hard coal and for its future use.

Coal liquefaction in the next few decades will undoubtedly gain in importance worldwide since it represents, in addition to heavy oil, oil shale and tar sands, an important alternative for expanding the spectrum of liquid energy sources. This technology will become attractive primarily with cheap coal, since it provides the opportunity for efficient utilization of coal reserves and for higher total value in the raw material country itself. In addition, the existing infrastructure can be used worldwide to transport liquid energy sources.

In this respect there is for our industry an extremely interesting sphere of activity which can also solidify our relations with the mining countries and thus make a contribution to guaranteeing our energy supply. Even if these technologies do not promise to become economical until very much later because of the high costs of German coal domestically, we must try them out now at home in order to develop for the future a convincing basis for our industry's export opportunities.

But the use of coal also has serious disadvantages, mainly for our environment. No other energy source has environmental problems in connection with mining and utilization as great as coal does. Moreover, mining hard coal--at least in our country--requires a substantial cost in personnel and capital. In the case of our domestic hard coal these disadvantages are compensated for by the advantage provided by increased independence and the certainty of supply. This balance, however, is no longer true for imported coal whose long-term availability is, moreover, very difficult to assess today. We should not make an additional increase in our quota of imported coal, especially since this could again lead to a burden on our performance balance sheet--as in the case of oil.

#### Nuclear Energy Is Acceptable

After the discussion was put into concrete terms on the basis of the report of the official inquiry commission, today in the case of nuclear energy we are again faced with in part even very emotional arguments, but also with violent actions.

Stones and Molotov cocktails continue to be thrown. I very harshly condemn the attack on the dwelling of Professor Harde, chairman of the board of the Nuclear Research Center in Karlsruhe. I have understanding for people who ask critical questions and for people who have concerns about or fear of technical risks, but I have no understanding whatsoever for those who cloak their protest in a form which represents a direct danger to the life and health of their fellow men. It is becoming increasingly more urgent that the citizens who are interested in an objective and democratic discussion remain clearly aloof from those who abuse the situation through criminal actions to destroy our constitutional order.

The Federal Government will continue the discussion with those people who, in discussing nuclear energy, accept only arguments as weapons. Let me state quite openly that I have understanding for people who have come to have a skeptical or negative attitude because of the growing environmental problems of the 1960's and the 1970's and because of the newness and complexity of nuclear technology and its risks. They have the right to state their opinion, to ask questions and also to get answers to these questions from those responsible and from the experts.

But let me also state my opinion just as clearly: I consider the use of nuclear energy to be acceptable; not because I minimize its risks, but rather because I am convinced of the fact that the developmental work of over 25 years, in which many here in this room have had a part, has resulted in a technology whose risk overall is basically not different from other risks in our industrial society. In normal operation nuclear power plants are clearly more favorable to the environment than many other energy technologies. In view of today's energy problems there continues to be a demand for nuclear energy which must be satisfied. This appraisal is widely shared internationally; thus, no large industrial country in the world is renouncing the use of this energy source.

#### Importance of Nuclear Energy

Thus, I also want to try to show objectively why nuclear energy is so important for our energy supply.

Nuclear energy can make a contribution to the indirect replacement of petroleum. Nuclear energy can free gas from power plants for the decentralized supply. This is especially important if one considers that today, foolishly enough, 20 percent of our electricity is still produced from gas, and not only during the peak load.

Nuclear energy can free brown coal from power plants for refining products. In the case of large compound district heating systems there is--even if long-term--the idea of feeding district heat from nuclear power plants operated in cogeneration. Finally, nuclear energy can also contribute to saving oil through the use of electric heat pumps, primarily in rural areas.

#### Tasks To Be Solved

Nuclear energy will also have an important role in an altered energy supply structure. But what tasks must we solve if nuclear energy is to do justice to its intended role?

In respect to waste removal we have made quite a bit of progress technically and politically in the past year. The nation and Laender have assumed joint responsibility in this sector; we have made progress in the licensing of intermediate storage facilities and in the exploration of the salt dome in Gorleben; and several Laender--chiefly Hesse--are seeking sites for reprocessing plants.

The licensing procedures both for nuclear power plants and for plants in the fuel cycle are to be accelerated, without, of course, initiating any reductions in the level of safety achieved. For this we also need the suggestions of the operators and producers, we are always thankful for constructive cooperation.

### **Greater Involvement by the Industry Necessary**

If, however, we intend to utilize nuclear energy not only in the next few decades, but also beyond that period, then the development of advanced reactor lines is indispensable. This is an important long-term task for the state and the energy industry. They know that the Federal Government considers it essential that the power supply companies assume greater involvement in the costs of developing new energy technologies.

The issue here is not primarily that of helping the minister for research because of the current scarcity of funds. Guaranteeing our energy supply is a national task, which the state and industry must solve jointly. It is precisely in our market economy systems that the financial burdens must thus be appropriately divided. Other countries, for example Japan, the United States, and also Spain have long since made agreements; the power supply companies there make their contribution. In the waste removal sector we, too, have found a way.

Of the approximately DM2 billion which the Ministry for Research and Technology spends annually for energy technology, approximately 75 percent alone is spent for power-related technologies. I intend to continue this policy, but am encountering financial limits. Let me remind you that Minister Mattheofer explained in his budget speech of 23 January 1981, and I quote: "...that the Federal Government plans to restrict its financial commitment for the technological further development of nuclear technology, especially in respect to the fast breeder and the high temperature reactor including the fuel cycle, at the threshold of the scope which has not been achieved." This applies not only to 1981; for the subsequent years I cannot cover the constantly increasing costs either.

Without a joint venture--and this also applies to other cost-intensive energy technologies--by state and industry, particularly the power supply companies, we will no longer be in a position to solve these problems. I do not want to burden the electrical industry with additional, unrelated costs; on the contrary, in my view it is not obvious for the government to use especially high support to relieve an economic branch, which is not really even very much involved in international competition and which has national monopolies, from the responsibilities and risks which are quite naturally borne by other industrial branches. The actual performance of the electrical industry for research and development lags far behind the expenditures of other economic branches. It also does not keep pace with the international comparison: in the two large industrial countries with a similar private enterprise organization of the energy industry, in the United States and Japan, the outlays are significantly larger.

### **Sharing the Load In Energy Research**

Thus, it is not a question of introducing a special tax as was frequently mentioned in a manner meant to distort, but rather a matter of correcting a distribution of the load between state and industry which has become too one-sided. It is also a question of the credibility of the policy of the energy supply companies. For example, for years they have been demanding clear support by the Federal Government for nuclear energy, even for advanced reactor lines because they later will derive direct use from them. Thus, I deem it essential that they get involved to a far

greater extent than to date; in that way they will also document their substantial interest in these new technologies. I hope that the gravity of the situation is not underestimated and that we will arrive at a quick and voluntary solution, otherwise I see in several important projects dangerous developments coming into being because of a shortage of funds, developments which the energy supply companies must help in justifying.

The energy supply companies now have a very great responsibility in this sector; they know that negotiations must soon lead to a positive result.

Let me say it once again clearly: the energy industry has a partner in this Federal Government as well as in me, a partner who is convinced of the fact that intensified efforts toward development and utilization of new energy technologies, chiefly advanced reactor lines, are essential and who is prepared to implement this policy consistently and reliably in spite of many problems. But to do this we need--for financial and political reasons--a stronger, visible commitment by the energy industry, chiefly the electrical industry. Only if the urgently necessary positive signal comes and the urgently necessary contribution to financing is provided will it be possible for me to overcome the dangerous situation which has developed and to continue the development on a strong and reliable basis. This applies mainly in the case of the fast breeder, the continuation of which has been decisively supported in the last few years by the Federal Government.

12124  
CSO: 3103/326

**ENI'S GRANDI REPORT ON ENERGY TO EUROPEAN PARLIAMENT****Rome POLITICA ED ECONOMIA in Italian Apr 81 pp 76-80**

[Speech by Engineer Alberto Grandi, president of ENI (National Hydrocarbons Agency), to the Energy and Research Committee of the European Parliament (11 March 1981)]

[Text] 1. ENI, which I have the honor to represent, works in the area and in accordance with the logic of action of public enterprises; its entrepreneurial initiative and its operational strategy are based on the lines of approach that are within the competence of the Italian government and Parliament, and within the frame of reference of Community policy also.

Since 1961, ENI has had an appropriate structure for detailed and continuous examination of problems related to the Community, so as to ensure the group's best response to the problems and policies which the Community has to face. This structure is articulated at its center with a unit for relations with the international organizations, to which has been added a specific one for relations with the European Parliament, on the occasion of the direct-suffrage election; and in Brussels, it has its own representative to the European Communities.

2. With the creation of ENI the Italian Parliament wanted to provide the country with an instrument for direct action in the energy sector in accordance with an original approach that has subsequently been followed in other countries that are importers or exporters of primary energy sources.

ENI's action, which has been developing in a context of continual evolution, has followed two main principles: on the one hand, maximum commitment to exploration for and exploitation of domestic resources; and on the other hand, projection abroad with the development of an organic energy-supply policy--a task made difficult by the control exercised on the markets and on the supply system by the big international companies until the recent past.

**The Two Guiding Principles of ENI's Policy**

The supplying of energy sources is a process on the international scale, and its political components have been decisively accentuated in recent years. This political aspect is becoming an ever vaster problem for individual firms and for individual states; but positive solutions require actions and commitments of a supranational dimension.

## A Community Energy Policy

The need to achieve, at the European level, an energy system less dependent on oil is now perceived at all levels; however, it would be a serious mistake to underestimate the magnitude of the commitments required to ensure the availability and use of oil, which is destined to have inevitable front-rank importance in the coming years also.

It is well-known that the OPEC countries themselves consider it indispensable for the consumer countries to make a growing commitment to contain oil consumption and reduce energy waste. At the same time, they say they are interested in dialogue with the European countries.

It is necessary to reply to these messages with operational proposals at the Community level, to which there must correspond profoundly innovative entrepreneurial initiatives, promoted by the public enterprises in particular.

The basic lines of this cooperation must turn on the common factors--that is, the relationship of interdependence that binds the holders and consumers of oil, and their interest in general economic development. This will require long-term action achievable in a climate of mutual trust that can derive only from a common commitment on the broad problems.

## An Italian Initiative in the Mediterranean Area

It is on these very themes that the Italian government, on the initiative of ENI in an arrangement with OPEC, has organized for next spring a meeting between the Arab oil-exporting countries and European countries of the Mediterranean area. The main objective of this meeting is to establish a working method based on evaluation of the hypotheses of interdependence and on possible paths of integrated development by the two groups of economies.

This objective requires of the European operators that they promote the opportunities for dialogue with the national companies of the exporting countries. Strong "internationalization" and the capacity to collaborate, on the technical, financial, commercial and organizational levels of the entire energy cycle, down to the training and qualification of personnel, are necessary. The role that ENI is assigning itself to play in this regard--with the years of experience it has acquired in relations with the producer countries--is that of offering the best of the know-how technologies available, so as to open up broad and remunerative outlets for its own production and for that of the countries with which it collaborates.

3. I would now like to describe in greater detail ENI's activities and programs in their national and international scope.

ENI, in its nearly 30 years of experience, has constantly increased its provide energy sources: from 2 million tons of oil and 4.7 billion m<sup>3</sup> of natural gas in 1955, equivalent, on the whole, to 14 percent of Italian energy needs, it has gone to 41 million tons of crude and 27 billion m<sup>3</sup> of gas, which is 43 percent.

## The Outlooks for the 1980's

Up to now, hydrocarbons have been the preponderant component in ENI's provision of energy.

The strategy for the 1980's is articulated on several guiding principles: the group's emancipation from its traditional role as supplier of hydrocarbons and establishment of a role as supplier of a broader range of energy sources; meeting the requirements of its own market in Italy and in Europe; orientation of domestic demand toward the alternative sources and rational use of energy.

Our development is not based on any intention to supplant or take the place of other European operators, but rather on a constant search for opportunity for collaboration--and this not only in the hydrocarbons sector but also in the field of alternative energy sources: for example, in coal and its technologies, in which great progress can be made by unification of forces.

As the operative arm of the state, ENI also has the function of guaranteeing a coherent energy policy. For this purpose, we have promoted a more liberal price policy, and from this approach we are awaiting a responsible reply from the international companies with regard to the problem area of guarantee of supplies.

#### **The Investment Programs**

The activity programs that derive from the guidelines stated above have the following essential features. In the field of exploration for and production of hydrocarbons, ENI will invest, in the coming 5-year period, 8.5 billion lire, which is about 50 percent of the group's investments. This is a commitment which, in real terms, is unprecedented in our operational history. This effort derives also from the understanding that development of mining exploration is important for increasing Europe's energy autonomy.

Commitment in Italy to the far-ranging aspects and activities of offshore production, from which comes more than 60 percent of ENI's production today, will be especially strong.

The effort for innovation will be considerable. Many initiatives are under way in the area of advanced recovery and heavy oils. The Community interest in many ENI projects in these areas has so far taken the form of the financing of 23 exploration and exploitation projects in the amount of 31 million ECU [European Units of Account] (tertiary recovery in the fields of Corte, Gela, Ponte Dirillo; explorations for heavy oils in the Adriatic; development of offshore technologies, etc.).

In Europe, the group has been present for a short time in new areas in France (Gulf of Gascony) and in The Netherlands (North Sea), and it has already been active for some time in the British, Norwegian and Irish offshore areas.

#### **Cooperation with European Companies**

A constantly growing number of petroleum-mining initiatives are being carried out on the international level in collaboration with other European companies (Elf, Deminex, Petrofina, BP [British Petroleum], CFP [French Petroleum Company], Shell, Hispanoil, Statoil)--initiatives that constitute a concrete premise for action that has a European character.

Since 1975, five state companies of a national character--ENI, CFP, Elf, Petrofina, Veba--have taken on the character of interlocutors with the EEC Commission for the purpose of dealing with several aspects of Community Energy Policy, such as the sup-

plying of hydrocarbons, incentives to exploration, the transparency of the market, rationalization of refining and distribution.

Collaboration among the Community's energy operators is an objective that ENI is continuing to pursue as one of the most important factors for an adequate response to the problems that we must tackle.

But along with the actions under the direct responsibility of the operators, there must also be a commitment by the Community and national organs to eliminate the restrictions in the areas of standards and taxes that impede full development of exploration activities.

A favorable climate for invested capital is, indeed, a presupposition for exploitation of the Community's resources and therefore for reduction of its dependence on outside sources.

#### The Supplying of Oil

In the area of oil supply in 1980, ENI provided its own system with 41 million tons of crude, with about 40 percent of it coming from its own mining activities and the rest from commercial operations. In the coming 5-year period, the group's total needs will approach 50 million tons per year.

Besides the difficulties of the Community countries in connection with the recent further increases in the official prices, there is for some operators also the new problem of the penalization resulting from the price gap among crudes from different sources.

Indeed, those operators who, like ENI, do not, for historical reasons, have easy access to the less expensive crudes of the Middle East suffer economic imbalances in the supply phase.

The burdensome effects of the discrimination generated by the multiple price market, along with the costs connecting with the revaluation of the dollar, can be managed adequately within a European framework, through--among other means--coherent attention on the part of the various centers that make Community energy policy.

#### Refining, Distribution and Transport of Crude and Its Derivatives

In this sector, ENI's presence extends also to several European countries, including the FRG, Switzerland, Austria and France. Refining capacity is 42 million tons per year, 36 million of it in Italy; and sales of refined products in 1980 were 39 million tons (about 4 million of it in the European countries).

ENI has a fleet of 2.5 million tons' capacity for transport of crude and/or products, with which it meets about 50 percent of its transport needs. It also has a share in the two big trans-European pipelines: the Iltal (Trieste-Ingolstadt) and the Cel (Genoa-Ferrera-Aigle-Ingolstadt).

#### Natural-Gas Policy

In the area of supply and transport of natural gas, ENI's presence is very important: most of the gas imported (13 billion m<sup>3</sup> out of a total of 14.5 m<sup>3</sup> for 1980) goes through European countries by means of an integrated gas-pipeline system.

The imminent entry into service of the trans-Mediterranean gas pipeline (with a transport capacity of more than 12 billion m<sup>3</sup> per year) will further increase the presence of natural gas in the Italian energy balance-sheet.

The underwater crossing of the Mediterranean by means of gas pipelines at great depth, with technology perfected by ENI, represents a great energy opportunity that Italy offers to itself and to Europe. Italy thus has the possibility of turning to account its advantages of natural geographic projection toward Africa; therefore, it can naturally propose itself as a carrier and crossroads for Europe for importation of gas from the African continent.

But projects of this size require political, market and financial support that only European cooperation is capable of offering. In this great design of energy diversification, Italy certainly cannot do without Europe, just as Europe cannot do without Italy.

From a European point of view, the broad possibilities for importation of natural gas from the Soviet Union, which still has enormous proven and potential resources, should also be evaluated. A European understanding is certainly necessary and desirable with a view to this prospect and the negotiations that it implies. Several political bodies have recently expressed concern about development of dependence on Russian gas. I believe that a correct proportioning of sources, within the framework of diversification of supplies, is the most realistic instrument for a correct approach to this problem.

Exploitation of the resources of the North Sea, development of projects for importation from West Africa, and the startup of contracts with the main centers of supply --today still so distant and costly--in the Middle East should be tackled within the same Community framework.

Natural-gas policy therefore remains a fixed feature in ENI's programs, even though we follow the evolution of the import prices with close attention, this being a problem that concerns all the importing countries.

The OPEC countries' desire to align the price of gas with that of crude oil runs contrary to the need to make it competitive and has an effect on its penetration into the various markets.

#### A Community Gas Market

The creation of a Community gas market, even more vast and integrated, requires, in addition to the elimination of these constraints on importation, also implementation of principles of coordination of the consumer prices for natural methane gas at the European level. It will also be advisable for the Community to provide itself with adequate instruments of a normative and financial nature so as to facilitate the development of that market and the creation of an adequate network of supply and transport infrastructures.

I believe I should mention here the plan for methanization of the Mezzogiorno of Italy, the preparation of which has met with substantial support within the framework of Community regional policy. ENI has already worked out the first phase of an organic program that provides for the hooking-up of 273 communes from scratch, ex-

tension or modification of the systems in another 100 communes, as well as connections with industrial centers. With the recent approval of this first stage by the Italian government, a broader general plan aimed at doubling gas consumption in southern Italy by 1985 can now be defined.

Thus the Italian south will be offered--albeit in new forms and within a changed time schedule--the opportunity for development already taken in the past by the regions of northern Italy.

#### Coal: Italian Resources and European Cooperation

Coal is another fundamental element of ENI's diversification policy.

The objectives that it is proposed to reach begin with understanding of the role that this source will have to play in the transition toward a new and better-balanced energy system.

ENI's programs are aimed at ensuring the availability of this source by promoting initiatives abroad and actions to develop the Italian market.

Exploitation of the national coal resources located in Sardinia has been the subject of committed studies and purpose-directed research on ENI's part. The best utilization of these resources--which unfortunately have high ash and sulfur content--proves possible today through gasification. In this direction, a first experimental plant is being designed today, with an EEC contribution.

In the next 5 years, ENI intends to invest about 1.3 trillion lire in the coal sector as a whole, about 750 billion of this amount abroad.

Recourse to coal presupposes a series of coordinated actions that go beyond the direct responsibility of the individual operators; European cooperation is the most suitable means for carrying out great initiatives on the levels of supply, the environment, and the big transport and receiving infrastructures.

Development of the use of coal imposes the necessity of accommodating the requirements of the Community's producer countries to those of the Community countries that are consumers only. The restriction resulting from the high cost of production of coal cannot be disregarded. Nevertheless, mere financial intervention in favor of the Community investments could only ensure the survival of uncompetitive production, producing a considerable burden for the collectivity, without corresponding advantages of security of supply. It therefore seems preferable that Community action be directed toward an instrument to offer incentives to use, processing, infrastructures and research for prevention of pollution.

#### The Programs in the Nuclear Sector

The necessity of exploiting nuclear energy is a program line of approach that is being revived in almost all the industrialized countries and in all the international circles after a phase of uncertainty and rethinking.

ENI has considerable experience in this sector, and it holds mineral rights and reserves in Italy and abroad. Its programs reflect its institutional role as the national operator of the fuel cycle, in which, today, it is already carrying on activities of fuel-element fabrication and processing for nuclear reactors.

The group works within a European framework (EURODIF [European Diffusion Agency]) in the sector of uranium-hexafluoride enrichment and in the more advanced sector of mixed-oxides fuels for fast reactors.

ENI is therefore confirming its commitment and its role in this sector. The investments programmed in the 5-year period come to 500 billion lire, half of which is for the mining phase and half for fabrication of nuclear fuel.

Development of the nuclear sector nevertheless presupposes the overcoming of the well-known problem areas connected with safety and requires a great and coordinated Community effort to provide convincing responses to the problem. Such an effort is required also in order to tackle other problems such as that of exploration for uranium ore in the territory of the member states. In this regard, the granting of appropriate Community support is significant; by virtue of it, the ENI group has so far obtained allocations of more than 11 billion lire.

But the evolution of the uranium market makes it advisable to take a moment for reflection as regards the aid to research action on the prospecting and extraction of uranium from poor sources, but while keeping such an incentive instrument alive in the prospect of resumption of development of nuclear power. However, we consider it advisable to avoid the anticipated merger of this program with the analogous one relative to primary raw materials, in view of the peculiar nature of uranium, which is both an energy resource and a strategic resource.

#### Renewable Sources and Energy-Saving

Another field in which ENI intends to play a vigorous and innovative role is that of conservation and renewable sources.

Our group has for some time stressed the need for a restructuring of the energy system on the basis of efficiency and conservation.

An organic program for combining renewable sources and energy-saving, aimed at achieving sizable savings in the building-construction sector and in industry, is being developed.

In the geothermal field, research and development in the field of high-temperature and low-temperature fluids has already been in progress for some time. Projects for application of solar energy in housing construction and in the agricultural sector are being carried out.

ENI has also initiated industrial action in the field of photovoltaic conversion and production of gas from biomasses.

An industrial group that looks far ahead cannot exempt itself from developing its own research and demonstration process. The capacity to diversify action on several energy sources is certainly a direct function of the wholehearted commitment to scientific and technological research.

ENI's total R&D expenditures in the energy sector in the medium term is planned to be about 750 billion lire, and involves the principal innovative technologies in the area of the traditional and renewable sources.

In the solar, geothermal and conservation fields in particular, many ENI research and demonstration projects have benefited from specific Community interventions: in 1980, the EEC subsidized 25 projects of the group's companies with total contributions of about 10 billion lire.

Because of the limited extent of the means made available to the Committee for this purpose, though, it does not seem possible to make, in the short and medium terms, an adequate contribution to development of these sectors which, by comparison with others, are suffering a delay in the startup of investment. A considerable upgrading of the Community resources earmarked for research is therefore to be hoped for, avoiding duplication of the programs of the member states and assigning priority to projects of considerable dimensions from both the financial and technological points of view.

Nevertheless it may be asked whether the Community's function should not be also to offer incentives to the direct use, where possible, of the renewable sources, so as to achieve an immediate reduction of oil consumption.

I hope that this summary panorama of ENI's activities in the energy sector has made it possible to appreciate the dimensions and the great potential of the Italian public enterprise and its international and European vocation.

ENI will always be a convinced and fully available supporter of an effective Community energy policy.

11267  
CSO: 3104/281

**ENERGY CONSERVATION BILL DRAFTED**

Istanbul TERÇUMAN in Turkish 29 May 81 pp 1, 12

[Text] ANKARA BUREAU -- The draft of a proposed law "pertaining to more productive and conservative use of energy" prepared by the Specialized Committees attached to the National Security Council [NSC] Secretariat General has been submitted to NSC Secretary General Gen Haydar Saltik.

The draft, expected to be discussed by the NSC in the next few days, introduces certain measures and prohibitions to bring about more productive and conservative use of electric, oil and coal energy. The rationale of the draft calls definitely for not using anthracite for heating and stresses the need to raise lignite coal production at least 6 million tons in the next 5 years. The rationale points out that a total of \$3,248,000,000 was spent for energy in 1980; \$3,248,000,000 for oil, \$58 million for coking coal and \$44 million for imported electricity, and it is noted that a large savings will be effected in the amount of foreign exchange spent for importing energy with the measures to be taken.

Wasting energy will be prohibited when the bill becomes law. The use of coking coal will be firmly prohibited for any use outside of the metallurgy industry. The Council of Ministers is authorized to set the areas in which anthracite may be used. Those who use anthracite for purposes prohibited for the use of anthracite by the Council of Ministers will be fined 25,000 liras per ton.

**Fuel Oil Not for Heating**

The proposal also envisages prohibition of the use of fuel oil for heating in buildings constructed in the future. Municipalities and public works offices will not give permits for the construction of buildings and housing intending to use fuel oil for heating. Also, which areas of industry may use lignite will be designated by the Council of Ministers. Fuel oil will not be used outside of these areas. Industrial establishments now using fuel oil will convert their systems to lignite within 5 years according to conditions to be set by the Council of Ministers. However, existing buildings heated by fuel oil will remain so.

**At Least 1 Lira**

The proposal calls for a rise of at least 1 lira per liter in prices of oil products for the purpose of ensuring that users of oil products share in oil exploration activities. The authority to set this amount is given to the Council of Ministers. The income derived in this way can be used for oil exploration activities and the money accumulated will be vested in a fund.

### **Advertising and Lighting**

The proposal also introduces limits on advertising and commercial lighting. The restrictions on advertising and store lighting will be lifted on holidays and other times to be set by the Council of Ministers. Advertising and store lighting will be restricted otherwise. Permitting store lighting for security purposes is called for within the specific restrictions. According to this, 4 watts per square meter may be used for window lighting. Those who fail to comply with this ban will be fined 5,000 liras.

The Energy Ministry will set maintenance and revision times for industrial establishments whose annual energy consumption exceeds 2 million kilowatt hours. Those who wish may pay the annual fee in six equal installments.

In proposals for construction projects, attention will be paid to whether measures are taken to prevent heat loss such as double glazing and small windows. Building temperatures will not exceed 20 except in places such as hospitals which require high heat.

8349

CSO: 4654/3

**DE MICHELIS' PLAN FOR STATE HOLDINGS REFORM**

Rome L'ESPRESSO in Italian 10 May 81 pp 200-203

[Article by Salvatore Gatti: "The Tables of the Law"]

[Text] Submission of multiannual programs, coordinated with the ministry [of State Participations] and with the labor unions, a corps of superinspectors and a whole series of very strict rules that may cost the head of the agency directors. The following is how De Michelis intends to transform the system of PpSs [State Participations (Holdings)].

Rome--In the beginning was chaos. Then Gianni De Michelis arrived. And he wrote his "white book" for state holdings. But public industries, old and afflicted by disorder stemming from decades of political games, did not succeed in changing and in implementing the great programs of their first socialist minister. Thus, De Michelis decided that it was time to change the rules of the game. And he appointed a committee of 10 jurists and economists, headed by Giuliano Amato, in order to give new rules of the law to IRI [Industrial Reconstruction Institute], ENI [National Hydrocarbons Agency] and EPIM [Manufacturing Industry Holding and Financial Agency]. The committee was given up to the end of April. It worked hard. It heard Pietro Sette, Alberto Grandi, Corrado Fiacavento and also labor unionists like Bruno Trentin. Now, the 11 committee members are close to completing their work. A series of proposals for regulating the activity of public enterprises will come out of it. And some very specific laws. The following, therefore, are, point by point, the ideas of the Amato Committee.

The ministry and the agencies. Or, rather, in the version of De Michelis and Amato, the government and the agencies. In fact, in the institutional reform projects themselves, the minister of State Participations does not believe it essential to save this ministry, which could be united with others. The essential point is for the relationships between the government and the [state-controlled] agencies to change. But how? The stated objective is to make them more managerial and less bureaucratic. Therefore, autonomy of the enterprises, but programs coordinated with the government, inspections and penalties for those not respecting the programs. This is the point farthest along in the work of the Amato Committee, which has also drawn up a set of articles. This is what they provide: "The operating agencies," article 1 reads, "submit, by 28 February of each year, multiannual activity programs to the ministry for homogeneous sectors (in fact, in order to finance, editor's note).... The programs are also accompanied by information on the results of

consultations made within the scope of operating agencies with labor union organizations." The language is bureaucratic, but the indication is clear: in making programs it is well for the agencies to know in advance the stand taken by labor unions.

But how are the programs prepared? Not by boyars administering their own fiefs, but on the basis of specific programmatic instructions from the government. "By 5 October of each year," article 2 states, in fact, "the ministry takes care of determining the following for purposes of preparing the programs to be submitted in the following year: the objectives assigned to each agency within the scope of the general economic policy guidelines; the time frame of reference of the programs; the classification of data pertaining to the results anticipated with regard to the commercial, economic, patrimonial, financial, employment and territorial aspects and also classification of the revenue and financial parameters to be quantified in the programs." Here, too, dry language but clear objectives: the government not only gives the guidelines of the programs, but also the agencies must prepare them with specific indications of the results. Why? In order to be able to be judged, exactly as happens in any multinational corporation.

Once thus prepared, the programs reach the ministry. And the ministry (article 3) "handles an examination of the programs," "ascertains the amount of the financial contribution required," "acquires the opinion of the Ministry of Budget." And what if the programs are not acceptable? "Within a time limit of 45 days," still article 3 explains, the ministry "sends the program back to the agency for reexamination, by means of a justified measure." And what if the agency persists in its error? Then, "in case of a disagreement lasting beyond a 60-day time limit, the minister can propose to the Council of Ministers dissolution of the agency's administrative body." And thus the incompetent or disobedient managers are dismissed.

But once the programs have been decided on they are implemented. Thus, the heads of public enterprises are again judged on the basis of the results. How? "By 30 June of each year," article 5 specifies, "every operating agency submits to the ministry its own consolidated statement accompanied by a report on implementation of the programs and on the agency's operational performance in the preceding solar year. The causes of possible important deviations from the revenue or financial parameters stated in article 2 and the consequent steps taken and anticipated are stated in the report. If the minister believes that the deviations are not adequately justified or that the above-mentioned steps taken are not adequate, he may take the measures stated in the last sentence of article 3." In other words, dissolution of the agency's administrative body, everyone out, therefore, just like private enterprises. A revolution: people like Giuseppe Petrilli or Mario Einaudi would not have been able to survive long, if these rules had been in effect.

The ministry. In order to make these rules effective, the Ministry of State Participations must no longer be an operetta ministry as it is today. In order to process the agencies' data, it will have to be equipped with computers, a data-processing section. In order to inspect the causes of difficulties, it will have to have a corps of superinspectors, like Reviglio in Finance, Andreatta in Treasury and as has been requested by La Malfa for the Ministry of Budget. At this point, with programs, inspections and managerial instruments, the relationship with the agencies might be debureaucratized. This is De Michelis' "deregulation" version: decisions like increases in capital or the unemployment insurance fund should no longer be authorized by the ministry. And also, in some cases, mergers, sales of assets or acquisitions of companies.

**Agencies and holding companies.** Or companies, as is true, especially, of ENI. Agencies must forward to the ministry "annual breakdowns of the programs" pertaining to holding companies or companies heading a group. Their objectives are, therefore, submitted to the ministry. But what if some holding company or company has problems, if it is in a bad way, if it does not observe the programs? The agency can intervene automatically, freezing the funds of companies that are fairing badly, remove their administrators with special assemblies. In this way, demonstrating, therefore, an effective capability of intervention on points of crisis from within, the agencies can ask the government to separate the financial results of the individual cases from the agency's statement. From that statement on the basis of which the heads--it should be pointed out--are judged and, if necessary, removed. It is an incentive to severity by the top level of the agencies with regard to the holding companies (and, naturally, by the top level of the holding companies with regard to the companies). If this rule had been in effect in 1980, for example, when Pietro Sette, president of IRI, was faced with the crisis of FINSIDER [Iron and Steel Holding Company], he would have had two paths open to him: to dismiss the directors of the holding company (thus avoiding having to record their losses in the statement itself) or to "cover" them by incorporating the trillions of losses of the steel industry in the IRI statement and be removed from office. This, too, is a traditional multinational method.

**Appointments.** This is one of the most distressing points in state participations, but it is also the topic least examined by the Amato Committee. If all the other ideas of the committee are transformed into law and regulations, the prevailing point of view is that the issue will be undramatized, because managers will be judged severely. But right now, before the reform of state holdings, an "agreement" is needed between the ministry and agencies, at least for the more important cases (this is also the point of view of former minister Siro Lombardini, that we are publishing on page 203 [not included]) and "transparency," that is to say, for the agencies to state explicitly the reasons for which they select managers.

**Statutes of the agencies.** The committee is tending not to upset institutional engineering. The prevailing argument is that the agencies have different origins and that their history should be respected as much as possible. For example, the board of ENI is, by statute, an organ of administration, of management and not only of supervisions and guidance. It should remain like that. Therefore, statute modifications should not be revolutionary (if the consequences of the more general reform are excluded).

**Incompatibility.** The network of ambiguous crossovers characteristic at present of state participations will be limited to some extent. Examples like the case of Engineer Fascione (vice president of EFIM, but also member of the board of directors) or of Corrado Fiaccavento (vice president of Agusta, but also a member of the board of directors of EPIM), give rise to many perplexities. A more centralized nature might be maintained for ENI, which has its own special history. Not for IRI and EFIM. But also some incompatibilities for representatives of the ministry might spring up. Their presence on the boards of directors, for example, which permits a useful effective relationship, violates, however, the rule of "supervisor-supervised" and, therefore, is also a source of perplexity. If need be, they might sit more properly on labor union bodies.

improper financial burdens. This is the last topic tackled by the Amato Committee in the 29 April meeting. It is a problem divided in two: the transitory phase, a few years in which the almost 200 billion a year in improper financial burdens stemming from political choices (like, for example, not closing the Bagnoli iron and steel plant or certain building yards) would be tolerated, in fact; the definitive phase, in which they should no longer exist. In order to define it better, in order to indicate more precisely what the restrictions might be for preventing financing to state participations scheduled to be used up in political-relief enterprises, a new "parameter" has been specified. Any new financing to the agencies, any new endowment fund to be allocated in the future cannot be a fund from which no return is expected. It will, on the contrary, be remunerated with regular dividends. The shareholder-state must be remunerated similarly to what happens in any private company. If this kind of rule should pass, the relief era of state holding companies would end.

Therefore, the reform program of the Amato Committee and of De Michelis seems to be very ambitious. But the tens of thousands of debts and the trillions of losses of IRI, ENI and EFIM fully justify it. Years of mental laziness and of complicity, of cliental and political interests, based precisely on an unprincipled use of state participations, do not, however, leave room for too much optimism. Reform is necessary, but its enemies are lying in wait for it.

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## BRIEFS

**DEBTS ABROAD INCREASE--Italy is resorting constantly more massively to international loans through companies, agencies and banks.** This is confirmed by two statistical reports prepared by the European Economic Community. The first one pertains to EIB [European Investment Bank] loans. The second one deals with recourse to international bank loans. In 1980, the EIB allocated 3.7 trillion lire within the sphere of Community countries, 40 percent of which were for financing energy projects and were intended in particular for developing nuclear plants, for exploiting deposits of hydrocarbons in Europe, for developing coal-fired electric powerplants, for remote heating designing and for peat mining. But the EIB supports were not only for energy requirements. Also in 1980, 518 small and medium-sized enterprises received loans amounting altogether to 720 billion lire. On the whole, the loans went to the poorest countries and with the highest economic deficit. Italy, unfortunately, heads the list with 1,587,000,000,000, followed by Great Britain with 846 billion and Ireland with 462 billion, and then all the other countries. Italy, Great Britain and Ireland, therefore, received 85 percent of the EIB loans granted in 1980. But if further proof is desired of our country's "poverty," the second EEC report can be examined. In the sector of medium-term and long-term bank loans, to which Community countries resort to handle financing of their oil imports, Italy is again in first place. In fact, in 1980, our country contracted international bank loans amounting to 4,649,000,000,000 lire, representing 47.3 percent of the total amount of loans granted to the entire community, which was 9,831,000,000,000. Behind Italy, we again find Great Britain, with 1,368,000,000,000 lire. One remark must be added: the analysis made by the Community commission from 1976 to 1980 shows an incredible rising trend in recourse to these loans by Italy. In fact, it increased from 18 billion lire in 1976 to 592 billion in 1977, then the 1978 boom with 2.206 trillion, a certain amount of stability in 1979 with 2,482,000,000,000, then another doubling in 1980 with 4,649,000,000,000. [By Angelina Aino] [Text] [Milan IL GIORNO in Italian 9 Jun 81 p 21] 10042

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## GEORGIOS MAVROS ADDRESSES INTERNATIONAL MEETING

Athens BUSINESS & FINANCE in English No 144, 30 May 81 pp 22, 23

[Text]

George Mavros, Leader of the Centre Party in Greece, on 21st May this year addressed the International Meeting and Dialogue on Disarmament, Detente, and Security in the World, organised by the Bulgarian Agrarian Party. The main text of Mr Mavros' address was as follows:

The world is today facing its most significant crisis since the end of the Second World War. In Africa, Asia, South America and the Middle East, cold and hot wars follow one upon another.

All efforts to secure detente and eventually disarmament have failed. The Helsinki agreement has so far proved ineffective. The Afghanistan crisis and the increasing imbalance between NATO and Warsaw Pact forces in Europe are an open threat to world peace.

To meet this challenge and restore the equilibrium, the installation of Pershing and Cruise Missiles in Europe is envisaged. These missiles, however, once installed on European soil will automatically change their status from tactical to strategic nuclear weapons, effectively disturbing the balance of any agreement on strategic arms limitation between the two Superpowers. Besides this, any such agreement between the two Superpowers for the limitation of strategic nuclear weapons is sadly outdated. The two

Superpowers no longer have the monopoly on tactical and strategic thermonuclear weapons.

Detente cannot be achieved in Europe alone. The Helsinki principles must become effective on a worldwide basis and the issue of disarmament must be faced globally and include not only strategic, but also tactical nuclear and conventional weapons. Only then will peace be consolidated.

The insane antagonism of the arms race must be put to an end, and the great challenge of history taken up by the industrially developed countries by focusing their attention on the underdeveloped parts of the world. Over 800 billion dollars will be spent this year on armaments, while millions of people live under appalling conditions of unparalleled poverty, hunger and misery.

World peace will always be in danger, as long as grave imbalances persist, whether of economic or military power between the various regions of the world. The road to detente and peace passes necessarily through the elimination of these imbalances.

The danger of a nuclear holocaust is, today, a threat to world peace more than ever before. President Brezhnev's propo-

sal to many countries of the NATO Alliance, including Greece, for the signing of separated and individual agreements with the Soviet Union, under the latter's guarantee that in the event of thermonuclear war, the Soviet Union will not attack them, is unlikely to have any positive results. The same applies to any separate agreement the United States might make with individual member-countries of the Warsaw Pact.

President Brezhnev's proposal, however, in relation to what he said at the 26th Congress of the Communist Party of the Soviet Union, on the 23rd of February 1981, may contribute to the establishment of the necessary climate in which these problems may be faced in their real dimensions.

It is comforting that, in this time of international tension and world chaos, there is detente in the Balkan Peninsula. There still exist, however, the strained Greek-Turkish relations in the Aegean and the long standing Cyprus dispute.

Turkey, the guarantor of the independence and territorial integrity of Cyprus, invaded the island, and, despite the fact that it has been condemned, by no less than sixteen Resolutions of the United Nations as well as by all International Organisations and Conferences of the Third World Countries, continues the military occupation of 40% of the Island.

The Cyprus problem can be settled only by the guaranteed sovereignty, independence, territorial integrity and acknowledged non-aligned status of the Republic of Cyprus.

In our overcrowded planet life becomes more and more impossible as long as peace is not established.

As President Todor Zhivkov put it last July in this very forum, there is no alternative to Peace. Humanity has no more important task than to safeguard and strengthen Peace. And I may add no more urgent task than to take up the development of the underdeveloped part of the world.

I would like to express my heartfelt gratitude to President Peter Tanchev for giving me the opportunity to address this prestigious forum on such a vital issue.

**CUNHAL ADDRESSES CONFERENCE ON AGRARIAN REFORM**

Lisbon AVANTE! in Portuguese 4 Jun 81 p 8

[Text] Comrades:

The Fifth Agrarian Reform Conference which has just been held represents an event of the first degree.

This is because the defense and the pursuit of agrarian reform represent for the workers of Alentejo and Ribatejo their very lives and the lives and future of their children.

This is because the defense and the pursuit of agrarian reform are for the whole of the Portuguese people not only the defense and the pursuit of the most beautiful conquest of the revolution, but also the defense and the pursuit of freedoms and democracy.

The conclusions and the proclamation of the fifth conference have just been read to this great gathering.

You will agree with me, comrades and friends, that from the work of the fifth conference, its conclusions and its resolution, one basic idea emerges:

That the struggle continues and will continue until the counterrevolutionary offensive can be halted once and for all, until agrarian reform is completely carried out, until the land of all the estate owners is turned over to those who work it.

**1. Agrarian Reform Continues in Effect**

The Fifth Agrarian Reform Conference was a powerful affirmation that after 5 years of a constant and brutal campaign on the part of successive governments to destroy it, agrarian reform continues in effect, as a noble reality of Portuguese life, of the democratic regime, of the Portugal of April [1974].

It is a fact that the reactionary forces (dominating the government, a large part of the state apparatus and the repressive forces, using the GNR [Republican National Guard] as a weapon for the commission of real crimes) have dealt harsh blows to agrarian reform.

It is a fact (as the assessment made by the conference shows) that the UCP/Cooperatives currently have less land, fewer cattle, fewer machines than in previous years.

The surprising and extraordinary thing is not, however, that this decrease has occurred, after more than 5 years of these campaigns of theft and plunder pursued by successive governments, beginning with the government of the PS [Socialist Party] alone--governments which had as their goal the liquidation of agrarian reform in a short period.

The surprising and extraordinary thing is that agrarian reform has survived these campaigns for 5 years, that after 5 years there continue to exist and to function more than 400 UCP/Cooperatives, occupying more than 550,000 hectares. The surprising and extraordinary thing is that despite all these campaigns of destruction, the UCP/Cooperatives have, as compared to the earlier agrarian days, twice as many machines per hectare and, in comparison to those days, the number of tractors has increased from 2.3 to 4.9 per thousand hectares, and that much of what was gained has been retained.

The surprising and extraordinary thing is that, with the counterrevolutionary forces in power, this magnificent and noble Fifth Agrarian Reform Conference has been held, with about 3,000 delegates from the UCP/Cooperatives, a conference devoted not only to the immediate problems of the present, but also looking with confidence toward the future.

The fifth conference is in itself a demonstration of the strength and the vitality of agrarian reform, of its essential implementation as an integral part of the Portuguese democratic system.

The fifth conference is a marvelous assertion that agrarian reform is still in effect, that it lives and will live, that it will triumph over difficulties and obstacles and will in the end be completely carried out.

## 2. The Criminal Campaign of the Reactionaries

The Fifth Agrarian Reform Conference was also a real act of condemnation of the unconstitutional, illegal, subversive and criminal actions of the Balsemao AD [Democratic Alliance] government in continuing the reactionary campaigns of earlier governments.

When we say "unconstitutional," "illegal," "criminal" and "subversive," we do not exaggerate. We are speaking the pure truth.

It is the pure truth because the Balsemao AD government, like the earlier governments, has violated the constitution, which endorses agrarian reform and the elimination of the large estate owners, in the crudest fashion. Because the government has promulgated and is promulgating unconstitutional laws and decrees, it is ignoring its own laws and decrees when it deems them inadequate, it decrees, plunders and destroys wealth and is seeking to destroy agrarian reform, to destroy democracy itself.

The history of the 5 years of campaigns against agrarian reform is one of the blackest and most revolting chapters in the history of our country.

It is a story of constant illegal and despotic action, violence and plunder of the working people in order to reestablish the dominance, the exploitation and the privileges of the great landowners.

In violation of the constitution, in violation of democratic legality, in violation of the most basic principles of justice and with the brutal intervention of the GNR in the service of the landowners and the counterrevolution, making use of beatings, machine guns and assassinations, 569,000 hectares had already been stolen from agrarian reform as of 31 December 1980 (as the conference demonstrated) (including 20,000 hectares of irrigated lands and almost 200,000 of fertile nonirrigated land), of which 324,000 were taken by the AD governments (including 160,000 hectares under cultivation), representing the theft of 37 percent of the area under cultivation, with the appropriation of the harvest involved.

A total of 111 UCP/Cooperatives have been destroyed, 60 of them by the AD governments.

About 40,000 jobs have been eliminated.

According to the assessment made by the conference (with figures I believe it useful to reiterate here), in 1980 alone the AD government stole 135,000 animals, 26,000 head being cattle, from the UCP/Cooperatives, along with more than 12,000 machines, including 1,810 tractors, 1,450 harvesters, 120 trucks and 1,100 trailers.

The conference estimated that in 1980 alone, the thefts from the UCP/Cooperatives carried out by the government came to 8 million contos, while at the same time, attempting to throttle them financially, the government is preventing them from marketing cork and refusing to pay the 12.5 million contos it owes them.

If this can be called a policy, it is a policy of theft, plunder, destruction of wealth.

It is a crime against the rights of the workers, a crime against agriculture and against the national economy. It is a crime against legality and against the democratic regime, a crime against the people and against the country.

Along with the destruction of wealth and the destruction of the welfare of the workers, it means unemployment and the destruction of social projects which the workers have created and put into operation thanks to their labor and their sacrifice. These include nurseries, centers for the elderly, cultural groups, artistic undertakings--a whole beautiful new reality of life for the workers which is being sacrificed to the reestablishment of the privileges of the exploiters and parasites.

The unconstitutional, illegal, despotic and criminal decisions never can be and never will be recognized.

The demand of the workers that these decisions and actions be declared invalid is entirely just.

The demand of the conference that the responsibility should be established for the crimes committed and those responsible punished is also entirely just.

The livestock, machinery and other goods stolen from the UCP/Cooperatives (or their value, if they cannot be recovered) should be returned to the UCP/Cooperatives.

The stolen land should be recovered. We are confident, comrades, that the stolen land will be recovered.

Controlling the government, the state apparatus and the public funds, and using the repressive forces, the reactionaries needed 5 years to wrest a half a million hectares from agrarian reform.

We have said and we wish to reiterate here (despite the speculation in which the reactionaries always engage about this statement) that on the day democratic reality is reestablished the workers will not need a single armed man and they will not need more than 24 to 48 hours to take back this half a million hectares of land which legitimately belongs to them.

### 3. Reestablishment or Liquidation of the Estates

The agrarian reform carried out by the Portuguese revolution is agrarian reform of a regional nature: It is the agrarian reform of the large estate zone.

Agrarian reform is also necessary in other zones of the country.

But given the differences in the agrarian structures and the class structure of the active farm population, this agrarian reform will necessarily be different.

In Alentejo and Ribatejo, agrarian reform means first of all, as a structural modification, the elimination of large estate ownership.

According to the reactionary propagandists (as was mentioned at the conference), there were in the past individual large estate owners. With agrarian reform, there have come to be large collective estate owners. This is pure mystification.

Large estates are characterized not only by the extent of the land under farm exploitation, or even the extensive nature of the cultivation, but the fact that this land is property of a large exploiting and parasitic owner--the estate owner.

With the transfer of the large estates to the workers for their use and management and the work of agricultural renewal undertaken, there can no longer be any talk of large estates or large estate owners.

All of this mystification is pursued in an attempt to conceal that the entire campaign against agrarian reform, against the UCP/Cooperatives, has done nothing but reestablish the large estates in the form of creating the so-called "reserves," "restorations" and "expansions."

Many estate-owning families already have thousands and thousands of hectares back in their hands again.

In vast zones, we have returned to the old situation: large estate owners possessing thousands of hectares of land, living off cork and sales of small planted areas, and the balance, the vast areas, abandoned or remaining to be cultivated, while at the same time tens of thousands of workers are plunged into unemployment and poverty.

It is a boldfaced lie in which no one believes to state that land is being taken from the UCP/Cooperatives to be distributed to small farmers.

The assessment made by the fifth conference overwhelmingly refuted this demagogic. Of the 485,500 hectares of land stolen from the UCP/Cooperatives, 410,000 hectares (84.5 percent) were turned over to the large estate owners and 43,900 hectares (9 percent) to individuals who have nothing to do with agriculture.

And as to that limited number of small farmers who receive some crumbs of land, this serves only as an effort to conceal the reestablishment of the landed estates. As to their future, they would not have much to hope for if the AD were to carry out its plans.

Just as occurred in the first phase, the reactionary government is forcing them off the land which would, like the rest, be returned to the hands of the estate owners.

And one must also ask if for the government agrarian reform means mainly the distribution of land to the small farmers, then it should not seize the land of the UCP/Cooperatives, leaving thousands of workers unemployed, but should first of all distribute to small farmers the hundreds and hundreds of hectares which are in the hands of the large owners.

All of the actions of the Balschao AD government (like the preceding governments) have as their main, central and determining goal the reestablishment of the large estates and exploitation, oppression and the privileges of the large estate owners.

The liquidation of the large estates and the power of the estate owners and the implementation of agrarian reform constitute an economic, social and political necessity. They constitute a historical requirement of the people and the country.

It is on a solid foundation that the fifth conference demands that the policy of rebuilding the large estates cease, and that on the contrary, they be liquidated and the land turned over to those who work it.

#### 4. Agrarian Reform, the Achievement of the Workers

The Fifth Agrarian Reform Conference was an illuminating evidence of the capacity of the workers to manage agriculture, to promote agricultural progress and development, to replace the old and miserable agriculture of the large estate with modern and progressive agriculture, increasing production and guaranteeing the well-being of the workers and their families.

The conference recalled precisely that in the first 2 years of agrarian reform, the workers in the UCP/Cooperatives cleared uncultivated and abandoned land, increased the cultivated area, the irrigated area and production, diversified crops, introduced new crops, and gave notable impetus to livestock breeding.

Launched into development, the UCP/Cooperatives purchased tractors and other farm machinery, furnishings and breeding stock. They installed motor pumps, undertook the building of small dams and reservoirs, and built cow barns and milking rooms.

The workers proved capable of achieving more in farm progress in a few years than the large estate owners and capitalists had done in more than half a century.

The gradual and confident guidance of the UCP/Cooperatives made it possible to continue investments in 1980, despite the brutal campaign of which they were the victims, despite the threat of new thefts of land, cattle, machinery, installations and harvests.

It can never be repeated too often that the heroic struggle of the agrarian reform workers involves not only heroic resistance against the campaign, but heroic

persistence in work, production and investment, which is also a form of resistance, and is also more than that--the affirmation of the profound and indomitable confidence that agrarian reform will triumph!

The entire effort made under the conditions of a brutal campaign explains how, despite the land stolen from them, the workers have approximately the same areas planted to crops.

It explains how the UCP/Cooperatives are still accounting for 45 percent of the national production of owned grains.

It explains why the productivity increased again in the UCP/Cooperatives by 240 contos per worker, considerably greater than the figure for the private sector. If, under the destructive fire of these brutal campaigns, the agrarian reform workers achieve these results, what would they not have achieved if successive governments had not declared and pursued a destructive war against agrarian reform throughout these past five years?

At the conference, brilliant examples were cited of UCP/Cooperatives which, despite the fact that they had been deprived of a large part of their land, their livestock, their machinery, succeeded through innovation and improvement, greenhouses, irrigation projects and new crops, not only to maintain their productive capacity but even to increase it.

By setting forth these examples and the rich sources of experience in the work of the UCP/Cooperatives, the fifth conference has made available important weapons to the agrarian reform workers for their future efforts and for their struggle in defense of agrarian reform.

Agrarian reform provides evidence that in order for Portuguese farming to progress, it must be liberated from the large landowners.

It provides a demonstration that the workers are in a position to realize the destiny of agriculture, like that of industry, like that of the entire national economy, like the construction of the new democratic Portugal, which in order to survive and progress will necessarily have to take the path of socialism.

##### 5. The UCP/Cooperatives Are an Adequate Organizational Form

The fifth conference brought out the magnificent work the UCP/Cooperatives have done throughout the agrarian reform zone.

The reactionaries seek to justify the campaign against agrarian reform by saying that the UCP/Cooperatives represent a collectivist solution imposed by the Communist Party, a solution they say is not adapted to our conditions.

But what is the reality?

Experience shows that the collective unit with autonomous management, salaried workers and large areas in the exploitation form which best suits the nature of agriculture in the region, the diversification of crops and their staggering throughout the year, the need to guarantee jobs and the urgent need to increase production.

Six years of work, life and struggle have shown that the workers of Alentejo and Ribatejo have been able to find, not by the imposition of anyone at all but through their own development, a form of agricultural exploitation adapted to the rural ownership structures in the region, to the nature and territorial distribution of the crops, and to the class composition of those who work the fields.

The UCP/Cooperatives are not an economic form of organization copied from anywhere at all.

No such form of organization exists in the capitalist countries. Nor can they be found in the socialist nations.

They are not an inheritance from the state, nor are they cooperatives in the traditional meaning of this word.

They are an original and noble organisational form, the product of the work and the creative spirit of the farm proletariat in Alentejo and Ribatejo, of their inventive capacity, their natural fraternity, of their profound and deep-rooted collective feelings and habits, of the combination of love for work with the highest moral values linked with labor and production.

Under certain conditions, even in an agrarian reform zone, the separate delivery of land to small farmers who may then establish cooperatives may be correct and proper.

This, moreover, would be the proper solution on a large part of our national territory.

But in the agrarian reform zone, except for a few local cases, this solution would be completely unworkable, even if it were not (as it is) a mere screen for concealing the return of the land to the large owners.

The UCP/Cooperatives have passed all the tests needed to reach the conclusion that they are an adequate and proper form of farm organization for Alentejo and Ribatejo, with the exploited landed estates as its fundamental basis.

## 6. The Struggle Continues

The Fifth Agrarian Reform Conference was not just an assertion that agrarian reform continues in effect, but also a denunciation of the criminal campaign of the reactionaries against agrarian reform, and a verification that agrarian reform, the project of the workers, necessarily means the liquidation of the landed estates, and that the UCP/Cooperatives are a proper form of farm unit organization on the expropriated large estates.

The Fifth Agrarian Reform Conference was also a powerful affirmation of the determination of the workers to continue to defend the most beautiful conquest of the revolution inch by inch, to bring the counterrevolutionary campaign to a final halt, to recover the stolen lands and to pursue the struggle to the final victory.

It was the workers who carried out agrarian reform, who have defended it and are defending it.

The holding of the Fifth Agrarian Reform Conference was based on the existence, the labor and the struggle of more than 400 UCP/Cooperatives, on the high level of organization in the UCP/Cooperatives and their secretariats, on the strength of the farm unions, and on such broad participation by the masses that in Alentejo, agrarian reform appears as the cause of the entire people.

In the glorious undertaking of agrarian reform in 1975, in the extraordinary achievements in the realm of production and farm reorganization, and the material and cultural well-being of the workers, in the heroic resistance against the brutal campaigns throughout 5 years, and in the very holding of this fifth conference and the goals and tasks it has defined, the vast strength of the farm proletariat of Alentejo and Ribatejo, of the agrarian reform workers, is evidenced.

This strength derives from three basic factors:

The first is the class awareness and the constructive and revolutionary spirit born of the long experience accumulated throughout dozens of years of struggle.

The second is the high level of organization, which is seen in particular in the economic organization of agrarian reform itself (the UCP/Cooperatives), their unions and the existence of a strong and experienced revolutionary vanguard.

The third is unity.

Unity of the workers is essential for the successful continuation of the struggle.

It can be stated that if the workers were not united, agrarian reform would long since have been liquidated.

The agrarian reform workers know from their own experience that wherever division appears among the workers, then the advance of the campaign against agrarian reform proceeds more easily.

Therefore, the agrarian reform workers combat divisiveness and those who promote it and maintain throughout the years an admirable combat unity which is the most solid root of their strength.

Therefore, the agrarian reform workers have unmasked and prepared to annihilate the effort to create a yellow trade union of farm workers, and they are firmly maintaining their unions in the great and glorious General Federation of Portuguese Workers/National Intersindical (CGTP/IN).

Therefore, as the fifth conference bore direct witness, unity among the farm workers in agrarian reform and the farm workers in the private sector has strengthened.

Therefore, the agrarian reform workers who have learned through their own experience to distinguish who are their true friends do not let themselves be intimidated by the campaigns which the reactionaries and opportunists of all kinds constantly pursue in order to separate the workers from those parties which always and under all circumstances have given their full support to their struggle for agrarian reform.

Therefore, denouncing and laying bare the reactionary demagogic which seeks to pit the small farmers against the workers, they are increasingly identifying their interests and strengthening their alliance in the defense and pursuit of agrarian reform.

By the very holding of the fifth conference and the large number of its elected delegates--about 3,000, by the mass support received, the conference has provided a magnificent demonstration of the unity of all the agrarian reform workers.

We are absolutely certain that the fifth conference will make yet another contribution of great value to the still closer and more indestructible development of the unity of the agrarian reform workers and their combat alliance with the small farmers.

The workers do not want to go back to the days in which they spent months unemployed, when the mothers saw their children hungry, lacking anything to give them, when barefoot boys and girls spent their entire childhood barefoot, and only perhaps at the age of 14, 15 or even later obtained their first pair of shoes or boots, and when many workers were forced to wander the streets begging in their old age.

These were years in which it had begun to happen that the fields of the estate owners went neglected and uncultivated for years and years, while at the same time the workers remained unemployed.

Agrarian reform is a historical conquest won through the historic struggle of generations, at the price of the work of giants, watered by their sweat, tears and blood.

The workers are firmly determined to defend agrarian reform inch by inch, to put a definitive end to the criminal campaign of the reactionaries, and finally to regain the offensive, to recover the stolen lands, to carry agrarian reform forward, until the large estates and the power of the large estate owners are liquidated once and for all and the land is turned over to those who work it.

## 7. Confidence in the Future

Resistance to the reactionary campaign, work to increase production, the struggle within the main guidelines set forth by the fifth conference--this is the just path for the defense, consolidation and continuation of agrarian reform. But this is not enough.

Agrarian reform will only be definitively guaranteed when the Balesmao AD government is forced out, when the AD is removed from the government and a democratic government with a democratic policy is formed, a policy which must necessarily include redress for the illegal actions committed and the complete implementation of agrarian reform.

The workers are fully aware of this need. And this is why we heard the slogan "the struggle continues: into the streets with Balsemao!" so often at the conference.

Is this goal possible? Yes, it is possible, but it is still far from being achieved.

The struggle will not be easy. We expect difficulties and obstacles.

Serious threats continue to weigh over agrarian reform and the entire Portuguese democratic regime.

The unconstitutional amendment of the constitution is a new and dangerous line of attack on the part of the reactionary forces, which have the cooperation of the secretary general of the PS on some decisive points.

But despite these difficulties and dangers, the conditions for a democratic swing are being created.

As a result of the inability of the AD government to resolve national problems, the aggravation of the economic and social situation, the brutal deterioration of living conditions for the people, the base of social, political and electoral support for the AD is declining day by day and the internal conflicts, the rivalries and differences within the reactionary alliance are becoming more acute.

The constant quarrels among its factions and leaders and the recent dismissal of cabinet members bear witness to this.

I believe that you will agree with me, comrades. If the Pinto-Balsemao AD government will not do, neither will a retread of that government.

The trend toward unity in vast sectors of our democratic parties and organizations is strengthening and prospects exist for joint understanding and actions with specific goals.

The subversive dynamics of the conspirators in the armed forces broke down after the defeat of the AD in the 7 December presidential elections and the constitutionalist factions strengthened.

And, a basic factor, the mass struggles, which today as always are a determining factor in social development, developed with a vigorous thrust.

The struggles of the workers' class and the working people in general (in which the largest strike movement in history stands out), the small and average farmers (with the multiplication of rallies and barricades, particularly in the center and the north), the most widely varied social strata are evidencing profound discontent, indignation and rebellion in one of the most powerful upsurges of mass struggle in the history of our people.

The ceremonies held to commemorate 25 April and the extraordinary 1 May campaigns reveal the breadth and the depth of the popular feeling, and the vast potential for struggle against the reactionaries, against the AD government, for a democratic policy and for the defense of the regime endorsed by the constitution.

And defending and continuing the democratic regime means defending and continuing the agrarian reform, because agrarian reform is an integral and inalienable part of the Portuguese democratic regime.

Thus it can be understood that in this situation, the Fifth Agrarian Reform Conference has been an extraordinary affirmation of confidence in the future.

If after 5 years of counterrevolutionary offensive, when a government and a majority in the assembly of the republic continues to exist, having among their main goals the complete destruction of agrarian reform, with further plunder of land, livestock, machinery and other assets occurring daily, the fact that this fif

conference was held and ventured into the realm not only of the problems of defense and survival of the agrarian reform, but increase in production, technological improvement, the development and modernization of agriculture as well, constitutes a proof of confidence in the future.

Agrarian reform is not merely the cause of the workers in the UCP/Cooperatives.

It is also the cause of those who work on the estates of the landowners. It is also the cause of the small and average farmers. It is the cause of the entire working class and the entire Portuguese people.

Therefore, agrarian reform has massive support from the people of Alentejo and Ribatejo.

Therefore we see, among the active supporters of agrarian reform, both the elderly, those of advanced age who still have the strength to struggle, and mere children who already, enthusiastic and confident, have come to demand with us the triumph of agrarian reform.

Thus we see here today, as supporters of agrarian reform, workers and democrats who have come from vastly diverse regions in the country, from Lisbon, Setubal, the south, the center, the north, thus asserting, with the fraternal embrace they have come here to offer, that the cause of agrarian reform is the cause of the entire people of Portugal.

Thanks to this and to the understanding that the struggle of the Portuguese people is an integral part of the struggle of the peoples of the world, we see here representatives of the workers and peasants organizations from numerous countries, thus asserting by the fraternal embrace they came here to offer that the cause of Portuguese agrarian reform, identified with the Portuguese revolution and with the future of the democratic regime, is also the cause of the workers and the progressive forces in all countries.

Because of all of this, comrades and friends, there is justification for our confidence in the future.

To repeat a statement we have proclaimed so often and which encouraged us so much in the early days of agrarian reform, it would be sensible to state here yet once again that "victory is difficult, but it is ours!"

The reactionaries will be defeated!

Agrarian reform will triumph!

Long live the unity of the workers!

Long live the unity of the workers and the small and average farmers!

Long live agrarian reform!

Long live the Portugal of April!

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